LOWENSTEIN SANDLER PC

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April 13, 1998

VIA FEDERAL EXPRESS

Robert J. Flynn Senior Claims Specialist Gryphon Insurance Group Calvert Insurance Company 21820 Burbank Boulevard Suite 330 Woodland Hills, CA 91367-6485

Re: Potential Claim for Environmental Damage in the

Couer d'Alene Basin, Northern Idaho

Insured: Group R Co.

Policy Nos.: GLA 62 37 35 (1/1/76 - 12/31/76)

GLA 62 37 22 (1/1/75 - 12/31/75) (Calvert Insurance Company) USEPA SF 1238511

Dear Mr. Flynn:

Thank you for your letter of March 16, 1998. In that letter, you state that we did not reply to your letter of December 9, 1997, regarding the above-referenced matter. Our file indicates that we responded to your December 9th letter by letter dated February 5, 1998; the certified mail return receipt card indicates that your office received our February 5th correspondence on February 10, 1998. Another copy of our February 5th letter and a copy of the certified mail return receipt card are enclosed for your reference. (Please note that our letter to you with respect to Associate International Insurance Company also dated February 5, 1998, was sent in the same envelope as our letter of February 5th with respect to Calvert Insurance Company.)

In our letter of February 5th, we stated that we are working with our client to locate copies of the above-referenced policies and that, if and when we locate them, we will forward them to you. We have located copies of the policies and they are enclosed with this letter. As you will see, it appears that we inadvertently mis-typed one of the policy numbers by one digit; the correct policy number for the period 1/1/75 through 12/31/75 is GLA 62 37 22 and not GLA 68 37 22. You further stated in your letter of December 9th that a review of your records indicates that Calvert Insurance Company did not utilize the prefix "GLA" in any of its policies. The enclosed policies are evidence to the contrary.

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Roseland New Jersey

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Consequently, because we responded to your December 9th letter, and because you now have copies of the relevant policies, we assume that you will provide us with a timely coverage determination in this matter.

If you have any questions about this letter or the enclosed policies, please do not hesitate to contact me or Michael David Lichtenstein of this office. Thank you for your attention and courtesies.

Very truly yours,

David M. Wissert

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Enclosure(s)

cc:

Michael David Lichtenstein, Esq. (w/o encls.)

